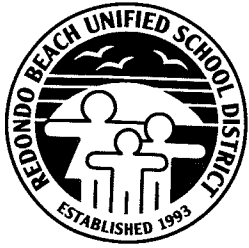


**Redondo Beach
Unified
School District**



1401 Inglewood Avenue
Redondo Beach
California 90278-3999

Tel. 310 379-5449
Fax 310 798-8610

March 30, 2011

Los Angeles County Counsel
Room 648 Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attn: Board of Supervisors; Cammy DuPont, Esq.

Subj: Resolution Of The Board Of Education Of Redondo Beach Unified School District, Authorizing The Issuance And Sale Of Redondo Beach Unified School District (Los Angeles County, California) General Obligation Bonds Election Of 2008 In One Or More Series Pursuant To Certain Provisions Of The Government Code In An Aggregate Principal Amount Not To Exceed \$45,005,192.30

Redondo Beach Unified School District: Request for Board to Levy Taxes and to Direct the Auditor-Controller to Place Taxes on the Tax Roll

Ladies & Gentlemen:

On March 22, 2011, the Board of Education of the Redondo Beach Unified School District (the "District") adopted a resolution (the "District Resolution") authorizing the issuance and sale of the District's General Obligation Bonds Election Of 2008 In One Or More Series Pursuant To Certain Provisions Of The Government Code In An Aggregate Principal Amount Not To Exceed \$45,005,192.30.

An executed original of the District Resolution is enclosed herewith.

The District formally requests in accordance with Education Code Section 15250 that the Los Angeles County Board of Supervisors (the "Board of Supervisors") adopt the enclosed resolution (the "County Resolution") to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Bonds. Once you've completed your review, please forward it to the Executive Office of the County Board for inclusion on the agenda of the earliest practicable meeting thereof.

FedEx 8731-5381-5270

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#63 APRIL 19, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

After the Board of Supervisors has taken action on this letter, the District also respectfully requests that the Executive Officer-Clerk of the Board of Supervisors furnish two (2) certified copies of the adopted resolution to Stradling Yocca Carlson & Rauth, a Professional Corporation, at 660 Newport Center Drive, Suite 1600, Newport Beach, California, Attn: Robert J. Whalen, and send one (1) copy of the adopted resolution to each of the following:

- (a) Piper Jaffray & Co.
Attention: Timothy Carty
2321 Rosecrans Avenue, Suite 3200
El Segundo, California 90254
- (b) Los Angeles County Treasurer and Tax Collector
Finance Investments Division
Attention: John Patterson
500 W. Temple Street
Los Angeles, California 90012
- (c) Los Angeles County Auditor-Controller
Accounting Division
Attention: Katie Szeto
500 W. Temple Street, Room 603
Los Angeles, California 90012

Sincerely,

REDONDO BEACH UNIFIED SCHOOL DISTRICT

By: 
Dr. Steven Keller, Superintendent

Enclosures

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA AUTHORIZING THE LEVY OF TAXES FOR GENERAL OBLIGATION BONDS OF THE REDONDO BEACH UNIFIED SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR, DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL AND AUTHORIZING THE DISTRICT TO SELL SUCH BONDS ON ITS OWN BEHALF

WHEREAS, a duly called election was held in the Redondo Beach Unified School District, Los Angeles County, State of California (hereinafter referred to as the "District"), on February 5, 2008 (the "Authorization") and thereafter canvassed pursuant to law;

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$145,000,000, payable from the levy of an ad valorem tax against the taxable property in the District (the "Authorization");

WHEREAS, on June 30, 2008, the Board of Education of the District (the "District Board") issued the first series of bonds pursuant to the Authorization in the aggregate principal amount of \$49,999,957.60;

WHEREAS, on December 3, 2009, the County of Los Angeles (the "County") Board of Supervisors (the "Board") issued on behalf of the District the second series of bonds pursuant to the Authorization in the aggregate principal amount of \$24,995,678;

WHEREAS, on September 14, 2010, the District Board issued the third and fourth series of bonds pursuant to the Authorization in the aggregate principal amounts of \$2,234,172.10 and \$22,765,000, respectively;

WHEREAS, the District has certified that it has not received a qualified or negative certification on its most recent interim report;

WHEREAS, the American Recovery and Reinvestment Act of 2009 ("ARRA") grants a national allocation of \$11 billion (the "National Allocation") to provide for the issuance of qualified school construction tax credit bonds ("QSC Bonds") to provide financing for the construction, reconstruction and repair of public school facilities, in accordance with the qualified tax credit bond program found in Section 54A of the Internal Revenue Code of 1986, as amended (the "Code") and the District has received an allocation for the year 2010 to issue QSC Bonds in the aggregate principal amount not to exceed \$25,000,000;

WHEREAS, the Hiring Incentives to Restore Employment Act (the "HIRE Act") implemented changes to certain provisions in the Code permitting the issuance of QSC Bonds in the form of taxable, interest-bearing bonds with respect to which the issuer thereof may receive a cash subsidy payment from the United States Treasury on or about each interest payment date for such bonds ("Direct-Payment QSC Bonds");

WHEREAS, as adopted, the District Resolution authorized the issuance of a portion of the Bonds as Direct-Payment QSC Bonds pursuant to Section 54A(d)(1) and Section 6431(f) of the Code in the event the School District received a portion of said National Allocation;

WHEREAS, the Bonds are authorized to be issued by the District pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law");

WHEREAS, the District Board has determined and authorized in a Resolution adopted on March 22, 2011 (the "District Resolution") to issue and sell one or more additional series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$45,005,192.30 and authorized some of the Bonds to be issued in the form of Direct-Payment QSC Bonds; provided that the aggregate principal amount issued as Direct-Payment QSC Bonds may not exceed \$25,000,000. The Bonds are to be issued and sold as the "Redondo Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, Series _" with each series to be lettered sequentially beginning with the letter "E" (the "Bonds"). In the event that the District determines not to issue the Direct-Payment QSC Bonds and to issue only a single series of Bonds, then the Bonds issued shall be designated as Series E;

WHEREAS, the District Resolution formally requests this Board to permit the District to issue the Bonds on its own behalf, to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the County Auditor-Controller (the "Auditor-Controller") to place on its 2011-12 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Bonds that will be provided to the Auditor-Controller by the District following the sale of the Bonds; and

WHEREAS, the County Treasurer and Tax Collector (the "Treasurer") has been designated by the District to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds pursuant to the District Resolution, and the District has consented to the Treasurer's contracting with a third party to perform the services of Paying Agent.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Issuance of Bonds. That, pursuant to Section 15140(b) of the California Education Code, the County is granted the power to and hereby approves the issuance of the Bonds by the District on its own behalf under the Bond Law.

SECTION 2. Levy of Taxes. That this Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

SECTION 3. Preparation of Tax Roll. That the Auditor-Controller is hereby directed to maintain on its fiscal year 2011-12 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedule for the Bonds, which will be provided to the Auditor-Controller by the District following the sale of the Bonds.

SECTION 4. Paying Agent. That the Treasurer act as Paying Agent for the Bonds. The Treasurer is authorized to contract with a third party to perform Paying Agent services.

SECTION 5. Effective Date. That this Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the 19th day of April, 2011, by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI, Executive Officer-Clerk of the
Board of Supervisors of the County of Los Angeles

By: Benjamin Zavala
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: Amey A. S. P. K.
Principal Deputy County Counsel

RESOLUTION NO. 10-11:25

RESOLUTION OF THE BOARD OF EDUCATION OF REDONDO BEACH UNIFIED SCHOOL DISTRICT, AUTHORIZING THE ISSUANCE AND SALE OF REDONDO BEACH UNIFIED SCHOOL DISTRICT (LOS ANGELES COUNTY, CALIFORNIA) GENERAL OBLIGATION BONDS ELECTION OF 2008 IN ONE OR MORE SERIES PURSUANT TO CERTAIN PROVISIONS OF THE GOVERNMENT CODE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,005,192.30

WHEREAS, a duly called election (the "Election") was held in the Redondo Beach Unified School District, Los Angeles County, State of California (hereinafter referred to as the "District"), on February 5, 2008, at which the following proposition (the "Proposition") was submitted to the qualified electors of the District:

"To improve the quality of education, complete the renovation of local schools, make health and safety improvements, upgrade and modernize existing classrooms and school buildings, including multipurpose rooms, and improve student support facilities at the High School, including the library, computer and science labs and athletic facilities, shall the Redondo Beach Unified School District issue \$145,000,000 in bonds within legal interest rates, with no money for teacher or administrative salaries, and spending reviewed annually by a citizens' oversight committee?"

WHEREAS, at such Election, the Proposition was approved by the requisite fifty-five percent of the qualified electors authorizing the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$145,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization");

WHEREAS, pursuant to the Authorization, the County, on behalf of the District, issued the \$49,999,957.60 Redondo Beach Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 2008, Series A (the "Series A Bonds") on June 30, 2008;

WHEREAS, pursuant to the Authorization, the County, on behalf of the District, issued the \$24,995,678 Redondo Beach Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 2008, Series B (the "Series B Bonds") on December 3, 2009;

WHEREAS, pursuant to the Authorization, the District issued the \$2,234,172.10 Redondo Beach Unified School District (Los Angeles County, California) General Obligation Bonds Election of 2008, Series C (Tax-Exempt) and the \$22,765,000 Redondo Beach Unified School District (Los Angeles County, California) General Obligation Bonds Election of 2008, Series D (Build America Bonds- Direct Payment to District) on September 14, 2010;

WHEREAS, at this time this Board of Education of the District (the "Board") has determined that it is necessary and desirable to issue one or more additional series of bonds pursuant to the Authorization in an aggregate principal amount not to exceed \$45,005,192.30 (the "Bonds");

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), the Bonds are authorized to be issued for the purposes set forth in the ballot submitted to voters;

WHEREAS, the District received an allocation from the California Department of Education to issue up to \$25,000,000 of the Bonds as qualified school construction tax credit bonds ("QSC Bonds") pursuant to the American Reinvestment and Recovery Act of 2009 ("ARRA");

WHEREAS, the Hiring Incentives to Restore Employment Act (the "HIRE Act") implemented changes to certain provisions in the Code permitting the issuance of QSB Bonds in the form of taxable interest bearing bonds with respect to which the issuer thereof may receive a cash subsidy payment from the United States Treasury on or about each interest payment date for such bonds ("Direct-Payment QSC Bonds"); and

WHEREAS, the Board desires to authorize the issuance of all or a portion of the Bonds as Direct-Payment QSC Bonds pursuant to Section 54A of the Code and Section 6431 of the Code, as amended by the HIRE Act, at a negotiated sale to Piper Jaffray & Co., as underwriter, or in a negotiated sale as a private placement to an entity as described herein; and

WHEREAS, the Board desires to authorize the issuance of all or a portion of the Bonds in one or more series of bonds, as Tax-Exempt Bonds and in any combination of Current Interest Bonds, Capital Appreciation Bonds, and Convertible Capital Appreciation Bonds, all as defined herein; and

WHEREAS, the Board desires to authorize the sale of the Bonds at a negotiated sale, which the Board has determined provides more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for Piper Jaffray & Co. (the "Underwriter") to pre-market the Bonds to potential purchasers prior to the sale, all of which the District Board has determined will contribute to the District's goal of achieving the lowest overall cost of funds; and

WHEREAS, the Board has estimated that the costs associated with the issuance of the Bonds, including compensation to Piper Jaffray & Co., will equal approximately 3.0% of the principal amount of the Bonds; and

WHEREAS, the District Board has appointed Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California as Bond Counsel and Disclosure Counsel and Dale Scott & Co. as financial advisor in connection with the issuance of the Bonds; and

WHEREAS, the Board desires to appoint Piper Jaffray & Co. as Underwriter in connection with the issuance of the Bonds sold at a negotiated sale to the public and as Placement Agent in connection with any of the Bonds sold in a private placement as described herein; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE REDONDO BEACH UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Purpose of Bonds. To raise money for the purposes authorized by voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board authorizes the issuance of the Bonds in one or more series pursuant to the Act and designates the Bonds to be issued and sold as the "Redondo Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds Series __," with each series of Bonds to be lettered sequentially beginning with the letter "E".

SECTION 2. Terms and Conditions of Sale. Each of the Superintendent (the "Superintendent") and the Chief Business Official (the "Chief Business Official") of the District, and their written designees (together, the "Authorized Officers"), acting alone, is hereby authorized to negotiate the sale of all or a portion of the Bonds to the Underwriter on a negotiated sale basis. The Bonds shall be sold pursuant to the terms and conditions set forth in the form of Purchase Contract, as described below. In accordance with the Purchase Contract, the Bonds may be issued in one or more series, some or all of which may be issued in the form of Direct-Payment QSC Bonds; provided that the aggregate principal amount of Bonds issued as Direct-Payment QSC Bonds may not exceed \$25,000,000.

Each of the Authorized Officers, acting alone, is hereby authorized to negotiate the sale of up to \$25,000,000 of Bonds as Direct-Payment QSC Bonds in a private placement transaction ("Private Placement") if in the opinion of the Authorized Officer, based upon the recommendation of Dale Scott & Company, Inc. (the "Financial Advisor") and Piper Jaffray & Co. (the "Placement Agent"), such sale would result in a lower overall borrowing cost than a public sale of the Direct-Payment QSC Bonds at a negotiated sale. The Direct-Payment QSC Bonds sold in a Private Placement shall be sold pursuant to the terms and conditions set forth in a Private Placement Agreement, as described in Section 3 below.

SECTION 3. Approval of Purchase Contract and Private Placement Agreement. The form of a Purchase Contract (the "Purchase Contract") by and among the County, the District and the Underwriter, for the purchase and sale of the Bonds, substantially in the form presented at this meeting, is hereby approved and each of the Authorized Officers, acting alone, is hereby authorized to execute and deliver the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the Purchase Contract may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the maximum interest rate on the Bonds shall not exceed that permitted by law and the underwriting discount, if any, thereon, excluding original issue discount any costs of issuance, if any, paid by the Underwriter, shall not exceed 1.25% of the aggregate principal amount of Bonds issued. The Authorized Officer executing the Purchase Contract shall determine the final principal amount of the Bonds to be sold in each series, provided that the aggregate principal amount of all series issued under the authority of this Resolution shall not exceed \$45,005,192.30, and shall determine whether to purchase municipal bond insurance for all or a portion of the Bonds.

In the event that the Direct-Payment QSC Bonds are sold in a Private Placement, any one of the Authorized Officers shall negotiate the form of a Private Placement Agreement (the "Private Placement Agreement") by and among the District, the purchaser of the Direct-Payment QSC Bonds (the "Private Purchaser") and the Private Placement Agent, for the purchase and sale of the Direct-

Payment QSC Bonds based on recommendations from Bond Counsel, the Placement Agent and the Financial Advisor. The maximum interest rate on the Direct-Payment QSC Bonds shall not exceed that permitted by law and the Principal Amount shall not exceed \$25,000,000.

SECTION 4. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract or the Private Placement Agreement):

(a) "Accreted Interest" means, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, the Accreted Value thereof minus the Principal Amount thereof as of the date of calculation.

(b) "Accreted Value" means, as of the date of calculation, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Principal Amount thereof plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1, commencing on August 1, 2011 (unless otherwise provided in the Purchase Contract) at the stated Accretion Rate thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) "Accretion Rate" means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Principal Amount of a Capital Appreciation Bond or a Convertible Capital Appreciation Bond, and compounded semiannually on each February 1 and August 1 (commencing on August 1, 2011), produces the Maturity Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds).

(d) "Bond Insurer" means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal, Accreted Value or Conversion Value of and interest on the Bonds.

(e) "Bond Obligation" means, from time to time as of the date of calculation, with respect to any Current Interest Bond and Qualified School Construction Bond, the Principal Amount thereof and, with respect to any Capital Appreciation Bond, the Accreted Value thereof, and, with respect to any Convertible Capital Appreciation Bond, prior to the Conversion Date the Accreted Value thereof and after the Conversion Date the Conversion Value thereof.

(f) "Bond Payment Date" means (unless otherwise provided by the Purchase Contract or the Private Placement Agreement), with respect to the Current Interest Bonds, February 1 and August 1 of each year commencing August 1, 2011 with respect to interest payments thereon and August 1 of each year commencing August 1, 2012 with respect to principal payments thereof, and, with respect to the Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(g) "Capital Appreciation Bonds" means the Bonds the interest component of which is compounded semiannually on each February 1 and August 1 (or such other dates as shown in the Purchase Contract) of each year commencing August 1, 2011) to maturity as shown in the table of Accreted Values for such Bonds in the Official Statement.

(h) "Continuing Disclosure Certificate" means the Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of a series of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(i) "Conversion Date" means, with respect to Convertible Capital Appreciation Bonds, the date or dates stated in the Purchase Contract as the date or dates on which such Bonds, originally issued as Capital Appreciation Bonds, convert to Current Interest Bonds.

(j) "Conversion Value" means, with respect to a Convertible Capital Appreciation Bond, the Accreted Value as of the Conversion Date.

(k) "Convertible Capital Appreciation Bonds" means the Bonds which are originally issued as Capital Appreciation Bonds, but which convert to Current Interest Bonds on the Conversion Date for such Bonds.

(l) "Costs of Issuance" means all of the costs of issuing the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and any Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisory fees; rating agency fees; auditor's fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the Bonds; the initial fees and expenses of the Paying Agent; fees for credit enhancement relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds, to the extent such fees and expenses are approved by an Authorized Officer of the District.

(m) "Costs of Issuance Fund" means the Redondo Beach Unified School District General Obligation Bond, Election of 2008 Costs of Issuance Fund established pursuant to Section 11 of this Resolution.

(n) "Current Interest Bonds" means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract or the Private Placement Agreement.

(o) "Depository" means the securities depository acting as Depository pursuant to Section 5(c) hereof.

(p) "Direct-Payment QSC Bonds" means those Bonds issued as qualified school construction tax credit bonds pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA") for which the District has elected to have subsection (f) of Section 6431 of the Code apply, and such Bonds shall constitute Current Interest Bonds hereunder.

(q) "DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.

(r) "Filing Agent" means U.S. Bank National Association.

(s) "Filing Agent Agreement means the Filing Agent Agreement between the District and the Filing Agent with respect to the Direct-Payment QSC Bonds.

(t) "Information Services" means national information services that disseminate securities redemption notices; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may specify in a certificate to the Paying Agent or as the Paying Agent may select.

(u) "Mandatory QSC Bond Reserve Fund Payments" means any payment required to be deposited to the QSC Bond Reserve Fund pursuant to the Purchase Contract or the Private Placement Agreement.

(v) "Maturity Value" means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(w) "Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 5(c) hereof.

(x) "Official Statement" means the offering document to be delivered to investors with respect to a series of Bonds as described in Section 22 below.

(y) "Owner" means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 7 hereof.

(z) "Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(aa) "Paying Agent" means the Treasurer and Tax Collector of the County, or such other financial institution appointed by the Superintendent, or any successor thereto, serving as the authenticating agent, bond registrar, transfer agent and paying agent.

(bb) "Permitted Investments" means the permitted investments described in Section 11(c) hereof.

(cc) "President of the Board of Education" shall mean President of the Board of Education.

(dd) "Principal" or "Principal Amount" means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond and Convertible Capital Appreciation Bonds, the initial principal amount thereof.

(ee) "QSC Bond Reserve Fund" means the fund by that name established and held by the Treasurer and Tax Collector of the County under Section 20.

(ff) "Rating Agencies" means Standard & Poor's Rating Services and Moody's Investor's Services.

(gg) "Record Date" means, with respect to Current Interest Bonds, the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(hh) "Required QSC Bond Reserve Fund Balance" means, as of any date, the aggregate amount of all Mandatory QSC Bond Reserve Fund Payments which are required to be on deposit in the QSC Bond Reserve Fund as of that date.

(ii) "Resolution" means this Resolution adopted by the Board of Education of the District on March 22, 2011.

(jj) "Securities Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320, or such other securities depositories as are designated by the District or the Paying Agent and whose business is to perform the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is registered as a clearing agency under Section 17A of the Act.

(kk) "Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the County in accordance with Section 18 hereof.

(ll) "Taxable Bonds" means any Bonds not issued as Tax-Exempt Bonds.

(mm) "Tax Certificate" means the certificate by that name executed by the District on the date of issuance of a series of Bonds.

(nn) "Tax-Exempt Bonds" means any Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(oo) "Term Bonds" means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(pp) "Transfer Amount" means, (i) with respect to any outstanding Current Interest Bond, the Principal Amount, (ii) with respect to any outstanding Capital Appreciation Bond, the Maturity Value, and (iii) with respect to any outstanding Convertible Capital Appreciation Bonds, the Conversion Value.

(qq) "Treasurer" means the Treasurer and Tax Collector of the County and such other persons as may be designated by the Treasurer and Tax Collector to act on his behalf.

SECTION 5. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates. The Bonds shall be issued as Bonds registered as to both principal and interest, in the following denominations: (i) with respect to the Current Interest Bonds, \$5,000 Principal Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination), and (iii) with respect to Convertible Capital Appreciation Bonds, \$5,000 Conversion Value or any integral multiple thereof. The Bonds shall bear or accrete interest at a rate or rates such that the interest rate shall not exceed that permitted by law.

Each Current Interest Bond shall be dated its date of delivery (the "Dated Date"), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it

is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before first Record Date, in which event it shall bear interest from its Dated Date. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of twelve, 30-day months.

The Capital Appreciation Bonds shall mature in the years, shall be issued in aggregate Principal Amounts, shall have Accretion Rates and shall have denominational amounts per each \$5,000 in Maturity Value as shown in the Accreted Value Table attached to the Purchase Contract. The Convertible Capital Appreciation Bonds shall mature in the years, shall be issued in the aggregate Principal Amounts, shall have Accretion Rates and shall have denominational amounts per each \$5,000 in Conversion Value as shown in such Accreted Value Table attached to the Purchase Contract; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 4 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, as applicable.

The Convertible Capital Appreciation Bonds shall convert to Current Interest Bonds on the Conversion Date. During the period while the Convertible Capital Appreciation Bonds are in the form of Capital Appreciation Bonds, they will not bear interest but will accrete interest through the Conversion Date. From and after the Conversion Date, the Convertible Capital Appreciation Bonds will bear interest as Current Interest Bonds at the rate or rates set forth in the Purchase Contract, and such interest will accrue based upon the Conversion Value of such Bonds at the Conversion Date. No payment will be made to the Owners of Convertible Capital Appreciation Bonds on the Conversion Date.

With respect to Bonds issued as Direct-Payment QSC Bonds, the District expects to receive, on or about each Bond Payment Date for such Bonds, a cash subsidy payment from the United States Treasury equal to the lesser of (a) the interest payable on such Direct-Payment QSC Bonds on such interest payment date or (b) the amount of interest that would have been payable on such interest payment date under such Direct-Payment QSC Bonds if such interest were determined under at the applicable credit rate determined under Section 54A(b)(3) of the Code (each a "Subsidy Payment"). The District has directed the Paying Agent, prior to each interest payment date for the Direct-Payment QSC Bonds, to submit or cause to be submitted to the United States Department of the Treasury a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such subsidy, the District shall deposit or cause to be deposited any such cash subsidy payments into the debt service fund for the Direct-Payment QSC Bonds maintained by the County.

To the extent that the Bonds are issued as QSC Bonds, such Bonds shall have, in addition to any applicable terms and provisions herein, or in replacement of such terms, such additional terms and provisions as may be set forth in the Purchase Contract or the Private Placement Agreement for such series so long as District Bond Counsel advises the District that such provisions are consistent with the Act.

(b) Redemption.

(i) *Optional Redemption.* The Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract or the Private Placement Agreement, as applicable.

(ii) *Mandatory and Extraordinary Redemption.* The Term Bonds shall be subject to mandatory and extraordinary redemption as provided in the Purchase Contract or the Private Placement Agreement, as applicable.

(iii) *Selection of Bonds for Redemption.* Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that (A) the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof, (B) the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof, (C) and the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Conversion Value thereof, and further provided that the Purchase Contract or the Private Placement Agreement may provide that, within a maturity, Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures, provided further that, such redemption is made in accordance with the operational arrangements of DTC then in effect.

(iv) *Notice of Redemption.* When redemption is authorized or required pursuant to this Resolution, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed, the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

Any Redemption Notice for an optional redemption of the Bonds delivered in accordance with this Section 5(b)(iv) may be conditional, and, if any condition stated in the Redemption Notice shall not have been satisfied on or prior to the redemption date: (i) the Redemption Notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional Redemption Notice was given that such condition or conditions were not met and that the redemption was canceled.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register, or so long as such Bonds are registered in the name of the Nominee, in such manner as complies with the requirements of the Depository.

(b) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to one of the Information Services by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, or (iii) in such other manner as complies with the requirements of the Information Service for the delivery of such notice.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(v) *Partial Redemption of Bonds.* Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amount to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) *Effect of Notice of Redemption.* Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 5(b)(i) and (ii) hereof, together with interest accrued to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

(vii) *Bonds No Longer Outstanding.* When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed outstanding hereunder and shall be surrendered to the Paying Agent for cancellation.

(c) Book Entry System.

(i) *Election of Book Entry System.* The Bonds of each series shall initially be delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity date of such series of Bonds in an authorized denomination (except for any odd denomination Capital Appreciation Bond). The ownership of each such Bond shall be registered in the bond register in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(i)(4).

With respect to book entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book entry Bonds, (ii) the delivery to any Participant or any other person, other than an owner as shown in the bond register, of any notice with respect to book entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Conversion Value Principal, premium, if any, or interest on the book entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book entry Bond is registered in the bond register as the absolute owner of such book entry Bond for the purpose of payment of Accreted Value, Conversion Value or Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Accreted Value, Conversion Value or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective owner, as shown in the bond register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value, Conversion Value or Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the bond register, shall receive a certificate evidencing the obligation to make payments of Accreted Value, Conversion Value or Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book entry Bonds for the Depository's book entry system, the District and/or the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book entry Bonds other than the owners, as shown on the bond register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book entry Bonds for the Depository's book entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book entry Bonds, or (ii) the District determines that continuation of the book entry system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such series of book entry Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such bond register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 5(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Bonds are held in book entry and registered in the name of the Nominee, all payments with respect to Accreted Value, Conversion Value or Principal of and premium, if any, or interest on the Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued as described in this Resolution as may be modified by the Purchase Contract. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 5(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository designated by the District, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that

DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as Depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as Depository.

(B) In the case of any transfer pursuant to Section 5(c)(i)(4)(A)(1) or (2), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of each series of Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 5(c)(i)(4)(A)(3), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Maturity Value, Conversion Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Maturity Value, Conversion Value or Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Bonds.

SECTION 6. Execution of Bonds. The Bonds shall be executed by the President of the Board by manual or facsimile signature and countersigned by the manual or facsimile signature of and the seal or facsimile seal of the District, if any, affixed thereto by the Clerk of the Board, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to

any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 7. Paying Agent; Transfer and Exchange.

(a) This Board does hereby appoint the Treasurer to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds. The Treasurer is hereby authorized to contract with any third party to perform the services of Paying Agent under this Resolution. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District.

(b) The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. In no event shall the County be required to expend its own funds hereunder.

(c) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District and the County. The Paying Agent may be removed at any time by an instrument filed with the Paying Agent and the County and signed by the District. A successor Paying Agent shall be appointed by the District with the written consent of the Treasurer, which consent shall not be unreasonably withheld, and, if not the Treasurer, shall be a bank or trust company organized under the laws of any state of the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating at least \$50,000,000 and doing business in the State of California and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(d) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The County shall cause the new Paying Agent appointed to replace any resigned or removed Paying Agent to mail notice of its appointment and the address of its principal office to all registered Owners.

(e) So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Bond is registered on the bond register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal, Accreted Value or Conversion Value of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge

the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

(f) Any Bond may be exchanged for Bonds of like series, tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the bond register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

(g) If any Bond shall become mutilated, the County, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like series, tenor and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the owner, the District, at the expense of the Bond owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

(h) If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

(i) Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. As requested by the District, written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent. The cancelled Bonds shall be retained for two years, then destroyed by the Paying Agent.

(j) Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or the 15th day preceding any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 8. Payment. Payment of interest on any Current Interest Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer or check mailed to such Owner on the Bond Payment Date at the address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount, Conversion Value or Maturity Value of One Million Dollars (\$1,000,000) or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Current Interest Bonds, the Accreted Value and redemption premiums, if any, payable on the Capital Appreciation Bonds and the Conversion Value and redemption premiums, if any, payable on the Convertible Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The interest, Accreted Value, Conversion Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* taxes levied on all property subject to such taxes within the District. Notwithstanding anything to the contrary contained in this Resolution or in any other document related to the Bonds, neither the District, the Board or any officers, officials or employees of the District shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, and the Bonds shall be payable solely from *ad valorem* taxes levied pursuant to Section 13 hereof.

SECTION 9. Form of Bonds. The Bonds shall be in substantially the following form, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Purchase Contract.

(Form of Current Interest Bond)

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED
NO.

REGISTERED
\$

**REDONDO BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2008, SERIES ____
(TAX-EXEMPT)**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP</u>
____% per annum	August 1, 20__	_____, 2011	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

The Redondo Beach Unified School District (the "District") in Los Angeles County, California (the "County") for value received, promises to pay to the Registered Owner (as defined below) named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2011. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2011, in which event it shall bear interest from its Dated Date. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Treasurer and Tax Collector of the County and its agent bank, U.S. Bank National Association (the "Paying Agent"). Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the register at the close of business on the 15th day of the

calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of One Million Dollars (\$1,000,000) or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by the voters of the District at the Election, as defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, in particular Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, the requisite fifty-five percent vote of the voters of the District cast at an election held on February 5, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$145,000,000, the resolution of the Board of Education of the District adopted on March 22, 2011 (the "District Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligation bonds of the District.

The bonds of this issue comprise (i) \$ _____ principal amount of Current Interest Bonds, of which this bond is one (each, a "Current Interest Bond"), (ii) Capital Appreciation Bonds of which \$ _____ represents the initial principal amount and \$ _____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which \$ _____ represents the initial principal amount and \$ _____ represents the Conversion Value.

This bond is exchangeable and transferable for bonds of like series, tenor, maturity and Transfer Amount (as defined in the District Resolution) and in authorized denominations at the principal office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding either any Bond Payment Date or the 15th day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after August 1, 20__, at a redemption price equal to 100% of the principal amount of the Current Interest Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on August 1, 20__ are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1,

20 __, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
(1)	\$
	\$
<hr/>	
(1) Maturity.	

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of Five Thousand Dollars (\$5,000) or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the District Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the District Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the District Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF THIS PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Redondo Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in its official capacity by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the District, and has caused the seal of the District to be affixed hereto, all as of the date stated above.

REDONDO BEACH UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

COUNTERSIGNED:

Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein which has been authenticated and registered on _____, 2011.

TREASURE AND TAX COLLECTOR OF LOS
ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as
Agent

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____
this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

(Form of Capital Appreciation Bond)

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED
NO.

REGISTERED
\$

**REDONDO BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS ELECTION OF 2010, SERIES ____
(TAX-EXEMPT)**

<u>ACCRETION RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP</u>
_____	August 1, 20____	_____, 2011	_____

REGISTERED OWNER: CEDE & CO.

INITIAL PRINCIPAL AMOUNT: _____

MATURITY VALUE: _____

The Redondo Beach Unified School District (the "District") in Los Angeles County, California (the "County") for value received, promises to pay to the Registered Owner (as defined below) named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the initial principal amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing on August 1, 2011, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Principal Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of 12 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Treasurer and Tax Collector of the County and its agent bank, U.S. Bank National Association (the "Paying Agent"). Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election, as defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant

to the laws of the State of California, in particular Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, the requisite fifty-five percent vote of the electors of the District cast at an election held on February 5, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$145,000,000, the resolution of the Board of Education of the District adopted on March 22, 2011 (the "District Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligation bonds of the District, payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code 15250 and 15252.

The bonds of this issue comprise (i) \$_____ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds, of which this Bond is one, and of which \$_____ represents the initial principal amount and \$_____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which \$_____ represents the initial principal amount and \$_____ represents the Conversion Value.

This bond is exchangeable and transferable for bonds of like series, tenor, maturity and Transfer Amount (as defined in the District Resolution) and in authorized denominations at the principal office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or the 15th day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Capital Appreciation Bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after August 1, 20__, at a redemption price equal to 100% of the Accreted Value of the Capital Appreciation Bonds called for redemption [without premium/together with a premium equal to ____].

Reference is made to the District Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the District Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the District Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Redondo Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in its official capacity by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the District and has caused the seal of the District to be affixed hereto, all as of the date stated above.

REDONDO BEACH UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

COUNTERSIGNED:

Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein which has been authenticated and registered on _____, 2011.

TREASURER AND TAX COLLECTOR OF LOS
ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as
Agent

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

(Form of Convertible Capital Appreciation Bond)

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED
NO.

REGISTERED
\$

**REDONDO BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS ELECTION OF 2008, SERIES ____
(TAX-EXEMPT)**

ACCRETION RATE TO <u>CONVERSION DATE</u>	<u>CONVERSION DATE</u>	INTEREST RATE AFTER THE <u>CONVERSION DATE</u>	MATURITY <u>DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP</u>
_____	_____, 20__	_____	_____, 20__	_____, 2011	

REGISTERED OWNER: CEDE & CO.

INITIAL PRINCIPAL AMOUNT:

CONVERSION VALUE:

The Redondo Beach Unified School District (the "District") in Los Angeles County, California (the "County") for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the principal amount and interest accreted thereon to the Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2011, at the Accretion Rate specified above to the Conversion Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the principal amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District promises to pay to the Registered Owner named above, interest on the Conversion Value from the Conversion Date until the Conversion Value is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing _____, 20__. This bond will bear such interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to the Bond Payment date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ 15, 20__, in which

event it will bear interest from the Conversion Date. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Treasurer and Tax Collector of the County and its agent bank, U.S. Bank National Association (the "Paying Agent"). Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election, as defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, in particular Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, the requisite fifty-five percent vote of the electors of the District cast at an election held on February 5, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$145,000,000, the resolution of the Board of Education of the District adopted on March 22, 2011 (the "District Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligation bonds of the District.

The bonds of this issue comprise (i) \$ _____ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds of which \$ _____ represents the initial principal amount and \$ _____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which this bond is one, and of which \$ _____ represents the initial principal amount and \$ _____ represents the Conversion Value.

This bond is exchangeable and transferable for bonds of like series, tenor, maturity and Transfer Amount (as defined in the District Resolution) and in authorized denominations at the principal office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding any Bond Payment Date or the 15th day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Convertible Capital Appreciation Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Convertible Capital Appreciation Bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after August 1, 20__, at a redemption price equal to 100% of the Conversion Value of the Convertible Capital Appreciation Bonds called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

Reference is made to the District Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this Series, the rights, duties and obligations of the District the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the District Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the District Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Redondo Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in its official capacity by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the District and has caused the seal of the District to be affixed hereto, all as of the date stated above.

REDONDO BEACH UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

COUNTERSIGNED:

Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein which has been authenticated and registered on _____, 2011.

TREASURER AND TAX COLLECTOR OF LOS
ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as
Agent

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____
this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

(Form of Direct-Payment QSC Bond)

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED
NO.

REGISTERED
\$

**REDONDO BEACH UNIFIED SCHOOL DISTRICT
(LOS ANGELES COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2008, SERIES ____
(Qualified School Construction Bonds – Direct Payment to District)
(Federally Taxable)**

INTEREST RATE: MATURITY DATE: DATED AS OF: CUSIP
____ % per annum _____, 2011

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Redondo Beach Unified School District (the "District") in Los Angeles County, California (the "County") for value received, promises to pay to the Registered Owner (as defined below) named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2011. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2011, in which event it shall bear interest from its Dated Date. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Treasurer and Tax Collector of the County and its agent bank, U.S. Bank National Association (the "Paying Agent"). Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the register at the close of business on the 15th day of the

calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of bonds in the aggregate principal amount of One Million Dollars (\$1,000,000) or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by the voters of the District at the Election, as defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, in particular Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, the requisite fifty-five percent vote of the voters of the District cast at an election held on February 5, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$145,000,000, the resolution of the Board of Education of the District adopted on March 22, 2011 (the "District Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligation bonds of the District. This bond is a Current Interest Bond under the terms of the District Resolution.

This bond is exchangeable and transferable for bonds of like series, tenor, maturity and Transfer Amount (as defined in the District Resolution) and in authorized denominations at the principal office of the Paying Agent in Los Angeles, California, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the District Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th day of the month next preceding either any Bond Payment Date or the 15th day preceding any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after August 1, 20__, at a redemption price equal to 100% of the principal amount of the bonds called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

The bonds are subject to extraordinary mandatory redemption, in whole or in part, on _____, 2014, in authorized denominations, at a redemption price equal to the principal amount of the bonds called for redemption, in an amount equal to the unexpended proceeds of the sale of the bonds held by the District, but only to the extent that the District fails to expend all of the proceeds of the bonds for certain qualified purposes as required by Section 54F of the Internal Revenue Code within three years of issuance thereof and no extension of the period for expenditure has been granted by the Internal Revenue Service.

Upon the occurrence of an Extraordinary Event (as defined below), the bonds shall be subject to redemption, at the option of the District, prior to their maturity date, in whole or in part, on the date designated by the District, which date shall be a date prior to ____ 1, 20__, at the Make-Whole Redemption Price (defined below).

The “Make-Whole Redemption Price” means the amount equal to the greater of the following:

1. the initial offering price of the bonds set forth in the Purchase Contract (but not less than 100% of the principal amount of the bonds to be prepaid); or
2. the sum of the present value of the remaining scheduled payments of principal and interest with respect to the bonds to be redeemed to the maturity date of such bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the bonds are to be redeemed, discounted to the date on which the bonds are to be redeemed on a semiannual basis, assuming a 360-day year containing twelve 30-day months, at the Treasury Rate, plus ____ basis points, plus in each case accrued interest on the bonds to be redeemed to the redemption date.

For the purpose of determining the Make-Whole Redemption Price, “Treasury Rate” means, with respect to any redemption date for a particular bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) (the “Statistical Release”) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) (or, if the Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the bonds to be redeemed; provided, however that if the period from the redemption date to the maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

The term “Extraordinary Event” means (a) a final determination by the Internal Revenue Service (“IRS”) (after the District has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status; (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status; (c) the occurrence of a material adverse change under Section 54F or 6431 of the Code; (d) the publication by the IRS or the United States Treasury of any guidance with respect to such sections; or (e) any other determination by the IRS or the United States Treasury, which determination is not the result of a failure of the District to satisfy certain requirements of the Resolutions, if as a result of an event as described in (c), (d), or (e) of this sentence, the Direct Subsidy payments expected to be received with respect to the bonds are eliminated or reduced, as reasonably determined by the Superintendent of the District or his designee, which determination shall be conclusive.

Selection of maturities and the amounts of the bonds of each maturity to be redeemed shall be determined by the Paying Agent in such equitable manner as it may determine.]

The County shall cause the tax levy imposed to pay the principal of and interest on the bonds to be adjusted, as necessary, to reflect any reduction of Subsidy Payments.

The bonds maturing on August 1, 20__ are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
(1)	\$
	\$
<hr/> ⁽¹⁾ Maturity.	

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of Five Thousand Dollars (\$5,000) or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the District Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the District Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the District Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF THIS PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Redondo Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in its official capacity by the manual or facsimile signatures of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education and has caused the seal of the District to be affixed hereto, all as of the date stated above.

REDONDO BEACH UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

COUNTERSIGNED:

Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the District Resolution referred to herein which has been authenticated and registered on _____, 2011.

TREASURER AND TAX COLLECTOR OF LOS
ANGELES COUNTY

By: U.S. BANK NATIONAL ASSOCIATION, as
Agent

By: _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): _____
this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

SECTION 10. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered to the original purchaser upon payment of the purchase price therefor.

SECTION 11. Deposit of Proceeds of Bonds; Permitted Investments.

(a) The proceeds from the sale of the Bonds received by the District, to the extent of the Principal Amount thereof, shall be paid to the County to the credit of an account within the building fund of the District created and established in the County treasury in accordance with Education Code Section 15146(f) to be known as the "Redondo Beach Unified School District General Obligation Bonds Election of 2008 Building Fund" (the "Building Fund"), shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to the purposes of the Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. At the County's discretion, the Building Fund may contain subaccounts if the Bonds are issued in more than one series. The accrued interest and any premium received by the District from the sale of the Bonds shall be kept separate and apart in the interest and sinking fund of the District created and established in the County treasury in accordance with Election Code Section 15251 (the "Debt Service Fund") for the Bonds and used only for payment of Accreted Value, Conversion Value or Principal of and interest on the Bonds. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued upon written notice from the District shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value, Conversion Value or Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District. Costs associated with the issuance of the Bonds shall be paid by the District from moneys deposited in the Building Fund or by the Underwriter, on behalf of the District, from premium paid on the Bonds and not received by the County.

(b) There shall hereby be created and established the "Redondo Beach Unified School District General Obligation Bond, Election of 2008 Costs of Issuance Fund" (the "Costs of Issuance Fund") which shall be accounted for separately and distinctly from all other District and County funds and accounts. At the time of issuance of one or more series of Bonds the District may transfer, or cause to be transferred, from the Building Fund to the Costs of Issuance Fund an amount not to exceed two percent (2.0%) of the initial Principal Amount of such series of the Bonds. Monies held in the Costs of Issuance Fund shall be applied, upon direction from an Authorized Officer of the District, solely to pay Costs of Issuance.

(c) All amounts held in the funds and accounts established for the Bonds shall be invested by the Treasurer in any instrument which is a lawful investment for funds of the District, including the Treasurer's Pooled Investment Fund, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the Government Code, or in investment agreements, including guaranteed investment contracts, float contracts or other investment products (provided that such agreements comply with the requirements of Section 148 of the Code, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds). Unless otherwise instructed by an Authorized Officer of the District in writing, amounts held in the funds and accounts established for the Bonds

shall be invested in the Treasurer's Pooled Investment Fund. If invested in other than the Treasurer's Pooled Investment Fund, amounts in the Debt Service Fund shall be invested in investments maturing not later than the date on which such amounts will be needed to pay the Principal of and interest on the Bonds. Nothing in this Resolution shall prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

(d) Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

(h) If at any time it is deemed necessary or desirable by the District, upon the written direction of an Authorized Representative of the District, the County may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 12. Rebate Fund.

(a) The District shall create and establish a special fund designated the "Redondo Beach Unified School District General Obligation Bonds Election of 2008 Series E Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

(b) The District shall deposit, or cause to be deposited, moneys to the Rebate Fund in accordance with the provisions of each Tax Certificate. Amounts on deposit in the Rebate Fund shall only be applied to payments made to the United States or otherwise transferred to other accounts or funds established hereunder in accordance with each Tax Certificate.

(c) Any funds remaining in the Rebate Fund after redemption or payment of all the Bonds of a series, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(e) Each payment required to be made from the Rebate Fund shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be

prepared or caused to be prepared by the District, or shall be paid in such other manner as is required by the Code.

SECTION 13. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District, and such taxes and amounts so deposited in the Debt Service Fund are irrevocably pledged for the payment of the Principal, Accreted Value and Conversion Value of and interest on the Bonds when and as the same fall due. To the extent that the receipt and deposit of the Subsidy Payments with respect to the Bonds issued as Direct-Payment QSC Bonds is delayed or reduced, the County shall adjust the tax levy authorized hereby as necessary.

The Bonds are the general obligation bonds of the District and do not constitute an obligation of the County except as expressly provided in this Resolution. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds or the interest thereon.

SECTION 14. Tax Covenants of the District.

(a) The District covenants for and on behalf of the Owners that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Tax-Exempt Bonds.

(b) The District represents and covenants that it shall not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of any QSC Bonds under Section 54A of the Code or the credit allowed under Section 6431 of the Code.

(c) The District covenants for and on behalf of the Owners that it will restrict the use of the proceeds of the Tax-Exempt Bonds in such manner and to such extent, if any, as may be necessary, so that the Tax-Exempt Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that section or any predecessor section.

SECTION 15. Conditions Precedent. This Board determines that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law.

SECTION 16. Insurance. In the event the District purchases bond insurance for all or a portion of the Bonds, and to the extent that the Bond Insurer makes payment of the Principal, interest, Accreted Value or Conversion Value on any Bonds, it shall become the owner of such Bonds with the right to payment of principal, interest, Accreted Value or Conversion Value on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on

the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal, Accreted Value, or Conversion Value, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 17. Defeasance. All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with the Paying Agent or with an independent escrow agent selected by the District, an amount of cash which together with amounts then on deposit in the Debt Service Fund (as defined herein) is sufficient to pay the outstanding Bonds designated for defeasance, including all Principal, Accreted Value, Conversion Value and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with the Paying Agent or with an independent escrow agent selected by the District, noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge the outstanding Bonds and designated for defeasance (including all Principal, Accreted Value, Conversion Value and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such Bonds of the District under Sections 12 and 14 hereunder to be defeased shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District, to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto, and such Bonds shall no longer be considered outstanding hereunder.

For purposes of this Section, "Government Obligations" shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom

the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

SECTION 18. Supplemental Resolutions. This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required by the Owners of a series of Bonds if the Owners of such series are not directly and adversely affected by such amendment or modification and such modification or amendment may be adopted with the approval of not less than 60% in aggregate Bond Obligation of the affected series of Bonds.

(a) This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the District without the written consent of the Owners for any of the following reasons;

(i) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(ii) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(iii) To confirm as further assurance any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(iv) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(v) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not adversely affect the interests of the Owners.

(b) Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the affected series of Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to

enjoin or restrain the County or the District or any officer or agent of either from taking any action pursuant thereto.

SECTION 19. Other Actions. Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 20. Qualified School Construction Bonds; QSC Bond Reserve Fund. To the extent necessary and as provided in the Purchase Contract or the Private Placement Agreement, the County shall establish, hold and maintain a fund to be known as the Redondo Beach Unified School District General Obligation Bonds Election of 2008 QSC Bond Reserve Fund (the "QSC Bond Reserve Fund"), to be maintained by the Treasurer and Tax Collector of the County as a separate account, distinct from all other funds of the County and the District. An amount equal to the Required QSC Bond Reserve Fund Balance shall be maintained on deposit in the QSC Bond Reserve Fund at all times. The QSC Bond Reserve Fund is hereby pledged for the payment of the principal of the Direct-Payment QSC Bonds when due, including the principal coming due and payable if the Direct-Payment QSC Bonds are redeemed pursuant to Section 5(b) hereof. In the event of a redemption of Direct-Payment QSC Bonds prior to maturity, the District will provide the County with a revised schedule of Mandatory QSC Bond Reserve Fund Payments. Amounts in the QSC Bond Reserve Fund, to the extent necessary to pay the principal of the QSC Bonds when due, shall be transferred by the County to the Paying Agent as required. The QSC Bond Reserve Fund shall be funded in accordance the restrictions of that certain Tax Certificate to be executed and delivered by the District on the date of issuance of such QSC Bonds (the "QSC Bond Tax Certificate").

SECTION 21. Continuing Disclosure. The District covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. A failure of the District to so comply will not constitute a default hereunder or with respect to the Bonds.

SECTION 22. Unclaimed Funds. Notwithstanding any other provisions of this Resolution, any moneys held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the Principal, Conversion Value of Maturity Value of, redemption premium, if any, and interest on the Bonds remaining unclaimed for one year after such Principal, Conversion Value and Maturity Value of all of the Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the Bonds, transferred to the general fund of the District to be applied in accordance with law; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of all Bonds that have not been paid, by first-class mail at the addresses on the Bonds register, postage prepaid, no less than 90 days prior to the date of such payment. Thereafter, the District shall have all responsibility and liability for the payment of such Bonds.

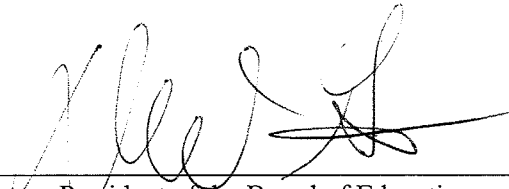
SECTION 23. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 22nd day of March, 2011, by the following vote:

AYES: 4

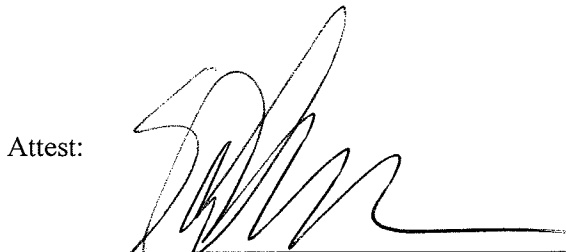
NOES: 0

ABSENT: 1



President of the Board of Education
Redondo Beach Unified School District

Attest:



Clerk of the Board of Education
Redondo Beach Unified School District

SECRETARY'S CERTIFICATE

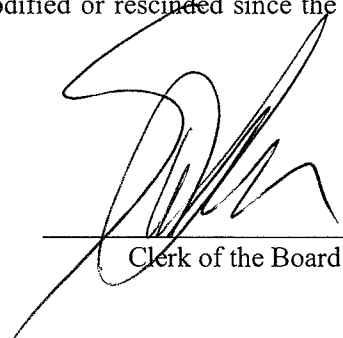
I, Steven Keller, Clerk of the Board of Education of the Redondo Beach Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly and legally held at the regular meeting place thereof on March 22, 2011, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: MARCH 22, 2011



Clerk of the Board of Education